# MONTANA LEGISLATIVE HISTORY

Chapter 360 19 1997

Bill H B 88 S _____ Original bill & history ✓ C

H. Committee on Taxation

Hearing Date(s) h 1/13 ___C

v 1/13 ___C

_____ ___C

_____ ___C

Date Out _____ ___C

S. Committee on Taxation

Hearing Date(s) h 2/04 ___C

v 2/04 ___C

_____ ___C

_____ ___C

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Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

# LEGISLATIVE HISTORIES SINCE 1997

The scope and depth of legislative committee minutes varies by year and by committee. If you would like additional information about a hearing, you may want to determine whether the hearing was recorded. In addition, some recent floor debates were also recorded. For information on accessing or purchasing these recordings, contact the Historical Society Archives at 406-444-4774.

If you have concerns regarding the format of the enclosed committee minutes or the recordings of the hearings, it is suggested that you contact your state legislators.

| | | | |
|---|---|---|---|
| 1/15 | REREFERRED TO TAXATION | | |
| 1/23 | HEARING | | |
| 1/24 | COMMITTEE REPORT—BILL PASSED | | |
| 1/25 | 2ND READING PASSED | 88 | 9 |
| 1/27 | 3RD READING PASSED | 88 | 7 |
| | TRANSMITTED TO SENATE | | |
| 1/28 | FIRST READING | | |
| 1/28 | REFERRED TO TAXATION | | |
| 2/06 | HEARING | | |
| 2/06 | COMMITTEE REPORT—BILL CONCURRED | | |
| 2/15 | 2ND READING CONCURRED | 50 | 0 |
| 2/17 | 3RD READING CONCURRED | 48 | 2 |
| | RETURNED TO HOUSE | | |
| 2/19 | SIGNED BY SPEAKER | | |
| 2/20 | SIGNED BY PRESIDENT | | |
| 2/21 | TRANSMITTED TO GOVERNOR | | |
| 2/24 | SIGNED BY GOVERNOR | | |
| | CHAPTER NUMBER 35 | | |
| | EFFECTIVE DATE: 02/24/97 | | |

HB 88 INTRODUCED BY M. HANSON *LC0185 DRAFTER: KURTZ*

ESTABLISH A 30-DAY APPEAL TIME FOR APPEALS OF VALUATION REVIEWS AND ESTIMATED AND REVISED ASSESSMENTS OF PROPERTY FOR TAXATION PURPOSES

BY REQUEST OF DEPARTMENT OF REVENUE

| | | | |
|---|---|---|---|
| 12/24 | INTRODUCED | | |
| 1/06 | FIRST READING | | |
| 1/06 | REFERRED TO TAXATION | | |
| 1/13 | HEARING | | |
| 1/14 | COMMITTEE REPORT—BILL PASSED | | |
| 1/15 | 2ND READING PASSED | 98 | 1 |
| 1/16 | 3RD READING PASSED | 100 | 0 |
| | TRANSMITTED TO SENATE | | |
| 1/17 | FIRST READING | | |
| 1/17 | REFERRED TO TAXATION | | |
| 2/04 | HEARING | | |
| 2/04 | COMMITTEE REPORT—BILL CONCURRED | | |
| 2/15 | 2ND READING CONCURRED | 50 | 0 |
| 2/17 | 3RD READING CONCURRED | 50 | 0 |
| | RETURNED TO HOUSE | | |
| 2/19 | SIGNED BY SPEAKER | | |
| 2/20 | SIGNED BY PRESIDENT | | |
| 2/21 | TRANSMITTED TO GOVERNOR | | |
| 2/24 | SIGNED BY GOVERNOR | | |
| | CHAPTER NUMBER 36 | | |
| | EFFECTIVE DATE: 02/24/97 | | |

HB 89 INTRODUCED BY KOTTEL *LC0258 DRAFTER: BOHYER*

CREATE A LEGISLATIVE OVERSIGHT COMMITTEE ON STATE MANAGEMENT SYSTEMS

BY REQUEST OF JOINT INTERIM SUBCOMMITTEE ON STATE MANAGEMENT SYSTEMS

| | |
|---|---|
| 12/24 | INTRODUCED |
| 1/06 | FIRST READING |
| 1/06 | REFERRED TO STATE ADMINISTRATION |
| 1/17 | HEARING |

HOUSE BILL NO. 88

INTRODUCED BY M. HANSON

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A 30-DAY APPEAL TIME FOR APPEALS OF VALUATION REVIEWS AND ESTIMATED AND REVISED ASSESSMENTS OF PROPERTY FOR TAXATION PURPOSES; AMENDING SECTIONS 15-1-303 AND 15-8-601, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 15-1-303, MCA, is amended to read:

"**15-1-303. Penalty for refusal to furnish information.** (1) If a person refuses to allow inspection of any books or records when requested by the department or refuses or neglects to furnish any information called for by the department in the performance of its official duties relating to the assessment and taxation of property, the department shall make a determination and assessment of the property ~~as~~ that in its judgment appears to be just and equitable and may add to the assessment an amount not to exceed 20% of the assessment as a penalty for the refusal or neglect. The department shall immediately notify the person assessed of its action, either by certified mail or by personal service of the notice.

(2) Upon receiving an assessment made pursuant to subsection (1), the taxpayer has the following remedies:

(a) Within ~~15~~ 30 days after receipt of the assessment, the taxpayer may request an informal conference with the department. At the conference, the taxpayer may present evidence in mitigation or extenuation of the failure to supply the information requested by the department. Within 10 days after the conference, the department shall notify the taxpayer by certified mail whether the assessment will be modified. The department may modify the penalty if the taxpayer presents sufficient evidence in mitigation or extenuation of the failure to supply the information sought by the department and if it finds that the taxpayer did not willfully refuse to supply the information.

(b) If the taxpayer is aggrieved as a result of the informal conference, the taxpayer may appeal to the county tax appeal board within ~~20~~ 30 days after receipt of the decision of the department. The county

tax appeal board has the authority to modify the:

(i) assessment only if it finds that the assessment exceeds 100% of the value of the property specified in 15-8-111; and

(ii) penalty if the taxpayer presents by a preponderance of the evidence facts in mitigation or extenuation of the failure to supply the information that the department sought.

(c) If the county tax appeal board modifies a penalty pursuant to subsection (2)(b)(ii), it may not reduce the penalty to less than 20% of the assessment or, if the assessment is modified pursuant to subsection (2)(b)(i), to less than 20% of the modified assessment.

(3) Either party aggrieved as a result of the decision of the county tax appeal board may appeal to the state tax appeal board within 30 calendar days after receipt of the county tax appeal board's decision. When deciding an appeal brought under this subsection, the state tax appeal board shall follow the provisions of subsections (2)(b) and (2)(c).

(4) Either party aggrieved as a result of the decision of the state tax appeal board may seek judicial review pursuant to 15-2-303."

**Section 2.** Section 15-8-601, MCA, is amended to read:

"**15-8-601. Assessment revision -- conference for review.** (1) (a) Except as provided in subsection (1)(b), whenever the department discovers that any taxable property of any person has in any year escaped assessment, been erroneously assessed, or been omitted from taxation, the department may assess the property provided that the property is under the ownership or control of the same person who owned or controlled it at the time it escaped assessment, was erroneously assessed, or was omitted from taxation. All revised assessments must be made within 10 years after the end of the calendar year in which the original assessment was or should have been made.

(b) Within the time limits set by 15-23-116, whenever the department discovers property subject to assessment under Title 15, chapter 23, that has escaped assessment, been erroneously assessed, or been omitted from taxation, the department may issue a revised assessment to the person, firm, or corporation who owned the property at the time it escaped assessment, was erroneously assessed, or was omitted from taxation, regardless of the ownership of the property at the time of the department's revised assessment.

(2) When the department proposes to revise the statement reported by the taxpayer under

15-8-301, the action of the department is subject to the notice and conference provisions of this section. Revised assessments of centrally assessed property are subject to review pursuant to 15-1-211.

(3) (a) Notice of revised assessment pursuant to this section must be made by the department by postpaid letter addressed to the person interested within 10 days after the revised assessment has been made. If the property is locally assessed, the notice must include the opportunity for a conference on the matter, at the request of the person interested, within ~~15~~ 30 days after notice is given.

(b) An assessment revision review conference is not a contested case as defined in the Montana Administrative Procedure Act. The department shall keep minutes in writing of each assessment revision review conference, and the minutes are public records.

(c) Following an assessment revision review conference or expiration of the opportunity for a conference, the department shall order an assessment ~~as~~ that it considers proper. Any party to the conference aggrieved by the action of the department or a taxpayer who does not request a conference may appeal to the county tax appeal board ~~at its next meeting~~ within 30 days of receipt of the revised assessment or the department's assessment made pursuant to the conference.

(4) The department shall enter in the property tax record all changes and corrections made by it."

NEW SECTION. **Section 3. Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to January 1, 1997.

NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.

-END-

RPT. LCB4 FINAL COMMITTEE REPORT OF REFERRED BILLS RUN DATE: 04/16/97

# COMMITTEE--HOUSE TAXATION

CHAIRMAN--CHASE HIBBARD
SECRETARY-DONNA GRACE/430
NORMAL SCHEDULE => SITE: ROOM 437 DAYS: M,T,W,T,F TIME: 8:00 A.M.

| BILL NO-- | REFERRED | HEARING | OTHER CONSIDERATION DATES | EXECUTIVE ACTION/DATE/VOTE | REREFERRED | DATE READ |
|---|---|---|---|---|---|---|
| HB0039 | GRADY, ED<br>1/06 | 1/15 | INTERIM STUDY OF RESOURCE INDEMNITY TRUST TAX AND EXPENDITURES | TABLED ON 01/17 VOTE: 20-0 | | |
| HB0063 | HARRINGTON, DAN<br>1/06 | 2/12 | 2/17 | REALLOCATE $1 OF NEW MOTOR VEHICLES SALES TAX FOR WARRANTY ADMINISTRATION<br>PASS AS AMENDED 3/5 VOTE: 19-1 | | 3/06 |
| HB0070 | HIBBARD, CHASE<br>1/06 | 1/21 | EXEMPTING RECREATIONAL LEASES FROM BENEFICIAL USE PROPERTY TAX | DO PASS 1/21 VOTE: 18-0 | | 1/21 |
| HB0080 | KITZENBERG, SAM<br>1/06 | 1/14 | PROVIDING A TAX CREDIT FOR HIRING RECENT MONTANA COLLEGE GRADUATES | TABLED ON 01/14 VOTE: 20-0 | | |
| HB0082 | HIBBARD, CHASE<br>1/06 | 1/14 | 1/15 | REVISE CORPORATE TAX LAWS<br>PASS AS AMENDED 1/22 VOTE: 15-5 | | 1/23 |
| HB0086 | HIBBARD, CHASE<br>1/06 | 1/15 | GENERALLY REVISE GASOLINE AND SPECIAL FUEL TAX LAWS | PASS AS AMENDED 1/17 VOTE: 20-0 | | 1/18 |
| HB0087 | HANSON, MARIAN<br>1/06 | 1/13 | 1/23 | REVISE ASSESSMENT NOTICE<br>DO PASS 1/13 VOTE: 19-1 | TAXATION | 1/14 |
| HB0087 | HANSON, MARIAN<br>1/15 | 1/23 | 1/13 | REVISE ASSESSMENT NOTICE<br>DO PASS 1/23 VOTE: 19-0 | | 1/24 |
| HB0088 | HANSON, MARIAN<br>1/06 | 1/13 | REVISE TAX APPEAL DEADLINES | DO PASS 1/13 VOTE: 19-1 | | 1/14 |
| HB0094 | KITZENBERG, SAM<br>1/06 | 1/14 | GENERAL INVESTMENT TAX CREDIT | TABLED ON 03/06 VOTE: 19-1 | | |
| HB0107 | KASTEN, BETTY LOU<br>1/06 | 1/15 | REVISE LONG-TERM CARE INSURANCE PREMIUM DEDUCTION | PASS AS AMENDED 1/21 VOTE: 19-0 | | 1/21 |

# MINUTES

## MONTANA HOUSE OF REPRESENTATIVES
## 55th LEGISLATURE - REGULAR SESSION

## COMMITTEE ON TAXATION

**Call to Order:** By Chairman Chase Hibbard, on January 13, 1997, at 9:00 a.m., in Room 437.

### ROLL CALL

**Members Present:**

Rep. Chase Hibbard, Chairman (R)
Rep. Robert R. Story, Jr., Vice Chairman (Majority) (R)
Rep. Robert R. "Bob" Ream, Vice Chairman (Minority) (D)
Rep. Peggy Arnott (R)
Rep. Paul Bankhead (R)
Rep. John C. Bohlinger (R)
Rep. Bill Carey (D)
Rep. Alvin A. Ellis, Jr. (R)
Rep. Marian W. Hanson (R)
Rep. Hal Harper (D)
Rep. Rick Jore (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney (D)
Rep. John "Sam" Rose (R)
Rep. William M. "Bill" Ryan (D)
Rep. Richard D. Simpkins (R)
Rep. Emily Swanson (D)
Rep. Lila V. Taylor (R)
Rep. Jack Wells (R)

**Members Excused:** Rep. Dan W. Harrington (D)

**Members Absent:** None

**Staff Present:** Lee Heiman, Legislative Services Division
Donna Grace, Committee Secretary

**Committee Business Summary:**

| | | |
|---|---|---|
| Hearing(s) & Date(s) Posted: | HB 87 | (1/8/97) |
| | HB 88 | (1/8/97) |
| Executive Action: | HB 87 | - Do Pass |
| | HB 88 | - Do Pass |

The first portion of the meeting consisted of a presentation by the Department of Natural Resources on the Resource Indemnity Trust Fund for Committee Member education.

Bud Clinch, Director, Department of Natural Resources, introduced department personnel. *{Tape: 1; Side: A; Approx. Time Count: 6.}*

Ray Peck, Administrator, Conservation Resource Division discussed RIGWA tax policy. Exhibit 1. *{Tape: 1; Side: A; Approx. Time Count: 6.5.}*

Questions from Committee Members. *{Tape: 1; Side: A; Approx. Time Count: 19.6.}*

John Tubbs, Chief, Resource Development Bureau, explained the allocation of RIT proceeds and interest. *{Tape: 1; Side: A; Approx. Time Count: 21.4.}*

Mr. Tubbs responded to questions from the Committee and explained the reason for the deficit in the Renewable Resources account. *{Tape: 1; Side: B; Approx. Time Count: 0.1.}*

Mr. Tubbs reviewed expenditures from the account and responded to questions. *{Tape: 1; Side: B; Approx. Time Count: 19.0.}*

Mr. Tubbs reviewed the Coal Severance Tax allocations and expenditures. Exhibit 2. *{Tape: 2; Side: A; Approx. Time Count: 11.5.}*

Committee discussed allocation of funds in the Program Funding Account. *{Tape: 2; Side: A; Approx. Time Count: 11.5.}*

## HEARING ON HB 87

**Sponsor**: Rep. Marian Hanson, House District 1. *{Tape: 2; Side: B; Approx. Time Count: 6.5.}*

**Proponents**:

Mary Whittinghill, Property Assessment Division, DOR. *{Tape: 2; Side: B; Approx. Time Count: 16.5.}*

**Opponents**:

None.

**Closing by Sponsor**:

Rep. Hanson closed. *{Tape: 2; Side: B; Approx. Time Count: 18.0.}*

## HEARING ON HB 88

**Sponsor**: Rep. Marian Hanson, House District 1.

**Proponents Testimony**:

Randy Wilke, Property Assessment Division, DOR. *{Tape: 2; Side: B; Approx. Time Count: 19.7.}*

John Shontz, Montana Association of Realtors, Helena. *{Tape: 2; Side: B; Approx. Time Count: 21.6.}*

**Opponents Testimony**:

None.

**Closing by Sponsor**:

Rep. Hanson closed. *{Tape: 2; Side: B; Approx. Time Count: 22.2.}*

## EXECUTIVE ACTION ON HB 87

**Motion/Vote**: Rep. Harper moved that HB 87 do pass. On a voice vote the motion passed, 19 - 0. *{Tape: 2; Side: B; Approx. Time Count: 22.7.}*

## EXECUTIVE ACTION ON HB 88

**Motion/Vote**: Rep. Ream moved that HB 88 do pass. On a voice vote the motion passed, 19 - 0. *{Tape: 2; Side: B; Approx. Time Count: 23.6.}*

Adjourn. *{Tape: 2; Side: B; Approx. Time Count: 25.0.}*

RPT. LCB4 FINAL COMMITTEE REPORT OF REFERRED BILLS RUN DATE: 04/15/97

# COMMITTEE--SENATE TAXATION

CHAIRMAN--GERRY DEVLIN
SECRETARY-RENEE PODELL/303
NORMAL SCHEDULE => SITE: ROOM 413/415 DAYS: M,T,W,T,F TIME: 8:00 A.M.

| BILL NO | REFERRED | HEARING | OTHER CONSIDERATION DATES | EXECUTIVE ACTION/DATE/VOTE | | REREFERRED | DATE READ |
|---|---|---|---|---|---|---|---|
| HB0024 | HAGENER, TONI<br>1/23 | 2/04 | INCREASE HOMESTEAD EXEMPTION | CONCUR | VOTE: 9-0 | | 2/06 |
| HB0063 | HARRINGTON, DAN<br>3/12 | 3/20 | REALLOCATE $1 OF NEW MOTOR VEHICLES SALES TAX FOR WARRANTY ADMINISTRATION | CONCUR | VOTE: 8-0 | | 3/20 |
| HB0070 | HIBBARD, CHASE<br>1/25 | 2/06 | EXEMPTING RECREATIONAL LEASES FROM BENEFICIAL USE PROPERTY TAX | CONCUR | VOTE: 9-0 | | 2/07 |
| HB0082 | HIBBARD, CHASE<br>1/28 | 2/06 | REVISE CORPORATE TAX LAWS | CONCUR | VOTE: 9-0 | | 2/07 |
| HB0086 | HIBBARD, CHASE<br>1/23 | 2/04 | GENERALLY REVISE GASOLINE AND SPECIAL FUEL TAX LAWS | CONCUR | VOTE: | TAXATION | 2/07 |
| HB0086 | HIBBARD, CHASE<br>2/24 | | GENERALLY REVISE GASOLINE AND SPECIAL FUEL TAX LAWS | | VOTE: 9-0 | | |
| HB0087 | HANSON, MARIAN<br>1/28 | 2/06 | REVISE ASSESSMENT NOTICE | CONCUR | VOTE: 8-1 | | 2/06 |
| HB0088 | HANSON, MARIAN<br>1/17 | 2/04 | REVISE TAX APPEAL DEADLINES | CONCUR | VOTE: 9-0 | | 2/04 |
| HB0148 | HARRINGTON, DAN<br>1/20 | 2/07 | REVISE INHERITANCE TAX REPORTS | CONCUR | VOTE: 9-0 | | 2/07 |
| HB0171 | RANEY, BOB<br>1/29 | 2/07 | ALLEVIATE ENVIRONMENTAL GRANT CASH FLOW PROBLEMS | CONCUR AS AMENDED | VOTE: 9-0 | FINANCE & CLAIMS | 2/07 |
| HB0210 | HAYNE, HARRIET<br>2/14 | 3/10 | REVISING 911: SERVICE; "BASIC/ENHANCED"; REQTS.; FEES; ACCT.; FINANCE; ETC. | CONCUR AS AMENDED | VOTE: 7-2 | | 4/12 |

# MINUTES

## MONTANA SENATE
## 55th LEGISLATURE - REGULAR SESSION

## COMMITTEE ON TAXATION

**Call to Order:** By **CHAIRMAN GERRY DEVLIN**, on February 4, 1997, at 8:00 a.m., in Room 415.

## ROLL CALL

**Members Present:**
Sen. Gerry Devlin, Chairman (R)
Sen. Mike Foster, Vice Chairman (R)
Sen. Mack Cole (R)
Sen. Bob DePratu (R)
Sen. Dorothy Eck (D)
Sen. Wm. E. "Bill" Glaser (R)
Sen. Mike Sprague (R)
Sen. Barry "Spook" Stang (D)
Sen. Fred R. Van Valkenburg (D)

**Members Excused:** None

**Members Absent:** None

**Staff Present:** Jeff Martin, Legislative Services Division
Renée Podell, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**
Hearing(s) & Date(s) Posted: HB 24, 1/23/97; HB 86, 1/23/97; HB 88, 1/23/97

Executive Action: HB 88, BCC

## HEARING ON HB 88

Sponsor: **REP. MARIAN HANSON, HD 1, ASHLAND**

Proponents: **Randy Wilke, Department of Revenue**

Opponents: None

Opening Statement by Sponsor:

**REP. MARIAN HANSON, HD 1, ASHLAND** explains that HB 88 corrects MCA Sections 15-1-303 & 15-8-601. SB 57 was passed last session to establish 30 days for tax appeal and the change was not made in these sections of the code.

Proponents' Testimony:

**Randy Wilke, Department of Revenue (DOR)** states this bill is clean-up legislation. During the 1995 Legislative Session SB 57 was passed increasing the time for filing tax appeals from 15 to 30 days. A few sections of law weren't changed to reflect that 30 day standard. This corrects that problem.

Opponents' Testimony: None

Questions From Committee Members and Responses: None

Closing by Sponsor: **REP. HANSON** closes the hearing.

*{Tape: 1; Side: A; Approx. Time Count: 8:03; Comments: None.}*

## HEARING ON HB 86

Sponsor: **REP. CHASE HIBBARD, HD 54, HELENA**

Proponents: **Bill Salisbury, Department of Transportation (DOT)**
**Bob Stephens, Montana Grain Growers**
**Les Graham, Montana Woolgrower, Montana Cattle Women, Montana Stockgrower, and Montana Dairy Associations**
**George Hall, Montana Farm Bureau**

Opponents: None

Opening Statement by Sponsor:

**REP. CHASE HIBBARD, HD 54, HELENA** contends HB 86 is presented at the request of the Department of Transportation (DOT). This deals with the agricultural fuel tax refund. Currently, there is a form that exists for those who apply for a fuel tax refund on off road miles. This form has three options on it: 1) Applies to agriculture; 2) For vehicles with two tanks; and 3) Complete dispersal record for keeping track of on and off road miles. If the primary source of income (66 2/3%) is agriculture you qualify to use option one which is an automatic qualification for a 60% refund of all the gallons purchased for that year. This bill transfers the function of processing from the Department of Transportation (DOT) to the Department of Revenue (DOR). A box to indicate gallons used will be added to the income tax form. The requirement for submitting original invoices will be dropped. DOT is still responsible for the program and audit functions. Right now there are approximately 10,000 applications under option one. An audit revealed that about 30% of those applying under option one actually didn't qualify. DOT has not had personnel to adequately audit this. That function will be facilitated by having this reported on the income tax form. The fiscal note reflects a savings of $8,550 for FY 98 and a cost of approximately $23,193 for FY 99. DOR will encounter some costs in redesigning their form and tooling up. The audit function

Proponents' Testimony:

**John Shontz, Montana Realtors Association** says the association strongly supports this legislation. He explains that the homestead exemption in Montana is not automatic and doesn't cover the full value of a home. In the event of bankruptcy it gives people a few dollars in equity that they can use to replace their housing. **Mr. Shontz** announces the $40,000 figure has not been adjusted in many years. He strongly encourages passage of this bill.

Opponents' Testimony: None

Questions From Committee Members and Responses:

**SEN. SPRAGUE** asks why a request for only $60,000. **REP. HAGENER** comments this subject has been brought up several times explaining that in the 1991 Session the suggestion came up to raise it to $80,000, however, because property values weren't as high as they are now that was defeated. Banks and other groups were opposed. He remarks that it will be fine with him if the committee decides to raise this amount.

**SEN. SPRAGUE** asks if an $80,000 figure will upset the banking industry. **REP. HAGENER** comments he isn't sure since he didn't ask them.

**SEN. GLASER** says the constitution was quoted on the liberal interpretation and questions where that language is found. **REP. HAGENER** affirms it is found in Article 13, Section 5.

**SEN. ECK** relates that comments she has received on this issue come primarily from people who are facing bankruptcy because of medical costs. She asks if any data on these types of bankruptcies can be produced. **SEN. HAGENER** says he doesn't have copies of that information. He says this was a concern and that there are those facing bankruptcy who felt this was a necessary thing, however, this doesn't only apply to senior citizens, some were families with young children.

*{Tape: 1; Side: B; Approx. Time Count: 8:52; Comments: None.}*

Closing by Sponsor:

**REP. HAGENER** proclaims if we truly want people to stay in their homes we need to give them this small increase. He asks **SEN. ECK** to carry this bill.

## EXECUTIVE ACTION ON HB 88

MOTION/VOTE: **SEN. FRED VAN VALKENBURG MOVES HB 88 BE CONCURRED IN. THE MOTION CARRIED UNANIMOUSLY. SEN. DE PRATU** will carry this bill.

HOUSE BILL NO. 88

INTRODUCED BY M. HANSON

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A 30-DAY APPEAL TIME FOR APPEALS OF VALUATION REVIEWS AND ESTIMATED AND REVISED ASSESSMENTS OF PROPERTY FOR TAXATION PURPOSES; AMENDING SECTIONS 15-1-303 AND 15-8-601, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 15-1-303, MCA, is amended to read:

"**15-1-303. Penalty for refusal to furnish information.** (1) If a person refuses to allow inspection of any books or records when requested by the department or refuses or neglects to furnish any information called for by the department in the performance of its official duties relating to the assessment and taxation of property, the department shall make a determination and assessment of the property ~~as~~ that in its judgment appears to be just and equitable and may add to the assessment an amount not to exceed 20% of the assessment as a penalty for the refusal or neglect. The department shall immediately notify the person assessed of its action, either by certified mail or by personal service of the notice.

(2) Upon receiving an assessment made pursuant to subsection (1), the taxpayer has the following remedies:

(a) Within ~~15~~ 30 days after receipt of the assessment, the taxpayer may request an informal conference with the department. At the conference, the taxpayer may present evidence in mitigation or extenuation of the failure to supply the information requested by the department. Within 10 days after the conference, the department shall notify the taxpayer by certified mail whether the assessment will be modified. The department may modify the penalty if the taxpayer presents sufficient evidence in mitigation or extenuation of the failure to supply the information sought by the department and if it finds that the taxpayer did not willfully refuse to supply the information.

(b) If the taxpayer is aggrieved as a result of the informal conference, the taxpayer may appeal to the county tax appeal board within ~~20~~ 30 days after receipt of the decision of the department. The county

tax appeal board has the authority to modify the:

(i) assessment only if it finds that the assessment exceeds 100% of the value of the pro specified in 15-8-111; and

(ii) penalty if the taxpayer presents by a preponderance of the evidence facts in mitigati extenuation of the failure to supply the information that the department sought.

(c) If the county tax appeal board modifies a penalty pursuant to subsection (2)(b)(ii), it m reduce the penalty to less than 20% of the assessment or, if the assessment is modified pursu subsection (2)(b)(i), to less than 20% of the modified assessment.

(3) Either party aggrieved as a result of the decision of the county tax appeal board may to the state tax appeal board within 30 calendar days after receipt of the county tax appeal b decision. When deciding an appeal brought under this subsection, the state tax appeal board shall the provisions of subsections (2)(b) and (2)(c).

(4) Either party aggrieved as a result of the decision of the state tax appeal board may seek review pursuant to 15-2-303."

**Section 2.** Section 15-8-601, MCA, is amended to read:

"**15-8-601. Assessment revision -- conference for review.** (1) (a) Except as provided in subs (1)(b), whenever the department discovers that any taxable property of any person has in any year e assessment, been erroneously assessed, or been omitted from taxation, the department may asse property provided that the property is under the ownership or control of the same person who ow controlled it at the time it escaped assessment, was erroneously assessed, or was omitted from ta All revised assessments must be made within 10 years after the end of the calendar year in wh original assessment was or should have been made.

(b) Within the time limits set by 15-23-116, whenever the department discovers property to assessment under Title 15, chapter 23, that has escaped assessment, been erroneously asses been omitted from taxation, the department may issue a revised assessment to the person, f corporation who owned the property at the time it escaped assessment, was erroneously assessed, omitted from taxation, regardless of the ownership of the property at the time of the department's assessment.

(2) When the department proposes to revise the statement reported by the taxpaye

15-8-301, the action of the department is subject to the notice and conference provisions of this section. Revised assessments of centrally assessed property are subject to review pursuant to 15-1-211.

(3) (a) Notice of revised assessment pursuant to this section must be made by the department by postpaid letter addressed to the person interested within 10 days after the revised assessment has been made. If the property is locally assessed, the notice must include the opportunity for a conference on the matter, at the request of the person interested, within ~~15~~ 30 days after notice is given.

(b) An assessment revision review conference is not a contested case as defined in the Montana Administrative Procedure Act. The department shall keep minutes in writing of each assessment revision review conference, and the minutes are public records.

(c) Following an assessment revision review conference or expiration of the opportunity for a conference, the department shall order an assessment ~~as~~ that it considers proper. Any party to the conference aggrieved by the action of the department or a taxpayer who does not request a conference may appeal to the county tax appeal board ~~at its next meeting~~ within 30 days of receipt of the revised assessment or the department's assessment made pursuant to the conference.

(4) The department shall enter in the property tax record all changes and corrections made by it."

NEW SECTION. **Section 3. Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to January 1, 1997.

NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.

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